



This document is scheduled to be published in the Federal Register on 03/02/2012 and available online at <http://federalregister.gov/a/2012-04492>, and on [FDsys.gov](http://FDsys.gov)

**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Parts 22, 25, and 52**

**[FAC 2005-56; FAR Case 2012-002; Item V; Docket 2012-0002,  
Sequence 1]**

**RIN 9000-AM17**

**Federal Acquisition Regulation: Trade Agreements Thresholds**

**AGENCIES:** Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**ACTION:** Final rule.

**SUMMARY:** DoD, GSA, and NASA are issuing a final rule amending the Federal Acquisition Regulation (FAR) to incorporate adjusted thresholds for application of the World Trade Organization Government Procurement Agreement and the Free Trade Agreements, as determined by the United States Trade Representative.

**DATES:** Effective Date: **[INSERT DATE OF PUBLICATION IN THE  
FEDERAL REGISTER.]**

**FOR FURTHER INFORMATION CONTACT:** Ms. Cecelia L. Davis, Procurement Analyst, at 202-219-0202 for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat at 202-501-4755. Please cite FAC 2005-56, FAR Case 2012-002.

**SUPPLEMENTARY INFORMATION:**

## I. Background

Every two years, the trade agreements thresholds are adjusted according to a pre-determined formula set forth in the agreements. The United States Trade Representative has specified the following new thresholds in the Federal Register (see 76 FR 76808, published on December 8, 2011):

Trade Agreement	Supply Contract (equal to or exceeding)	Service Contract (equal to or exceeding)	Construction Contract (equal to or exceeding)
WTO GPA	\$202,000	\$202,000	\$7,777,000
FTAs			
Australia FTA	77,494	77,494	7,777,000
Bahrain FTA	202,000	202,000	10,074,262
CAFTA-DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua)	77,494	77,494	7,777,000
Chile FTA	77,494	77,494	7,777,000
Morocco FTA	202,000	202,000	7,777,000
NAFTA			
–Canada	25,000	77,494	10,074,262
–Mexico	77,494	77,494	10,074,262
Oman FTA	202,000	202,000	10,074,262
Peru FTA	202,000	202,000	7,777,000
Singapore FTA	77,494	77,494	7,777,000
Israeli Trade Act	50,000		

## **II. Discussion and Analysis**

This final rule implements the new thresholds in FAR subpart 25.4, Trade Agreements, and other sections in the FAR that include trade agreements thresholds (i.e., 22.1503, 25.202, 25.603, 25.1101, and 25.1102).

In addition, changes are required to FAR clause 52.204-8, Annual Representations and Certifications, and FAR clause 52.222-19, Child Labor-Cooperation with Authorities and Remedies. Conforming changes are also required to the clause dates in FAR clause 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders-Commercial Items, and FAR clause 52.213-4, Terms and Conditions-Simplified Acquisitions (Other Than Commercial Items).

## **III. Executive Orders 12866 and 13563**

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review

under Section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

#### **IV. Regulatory Flexibility Act**

The Regulatory Flexibility Act does not apply to this rule because this final rule does not constitute a significant FAR revision within the meaning of FAR 1.501-1 and 41 U.S.C. 1707 and does not require publication for public comment.

#### **V. Paperwork Reduction Act**

The final rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

#### **List of Subjects in 48 CFR Parts 22, 25, and 52**

Government procurement.

Dated: February 21, 2012.

Laura Auletta,  
Director,  
Office of Governmentwide  
Acquisition Policy,  
Office of Acquisition Policy,  
Office of Governmentwide Policy.

Therefore, DoD, GSA, and NASA amend 48 CFR parts 22, 25, and 52 as set forth below:

1. The authority citation for 48 CFR parts 22, 25, and 52 continues to read as follows:

**Authority:** 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

**PART 22—APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS**

**22.1503 [Amended]**

2. Amend section 22.1503 by removing from paragraph (b) (3) "\$70,079" and adding "\$77,494" in its place, and by removing from paragraph (b) (4) "\$203,000" and adding "\$202,000" in its place.

**PART 25—FOREIGN ACQUISITION**

**25.202 [Amended]**

3. Amend section 25.202 by removing from paragraph (c) "\$7,804,000" and adding "\$7,777,000" in its place.

4. Amend section 25.402 by revising the table in paragraph (b) to read as follows:

**25.402 General.**

\* \* \* \* \*

(b) \* \* \*

Trade Agreement	Supply Contract (equal to or exceeding)	Service Contract (equal to or exceeding)	Construction Contract (equal to or exceeding)
WTO GPA	\$202,000	\$202,000	\$7,777,000

FTAs			
Australia FTA	77,494	77,494	7,777,000
Bahrain FTA	202,000	202,000	10,074,262
CAFTA-DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua)	77,494	77,494	7,777,000
Chile FTA	77,494	77,494	7,777,000
Morocco FTA	202,000	202,000	7,777,000
NAFTA			
–Canada	25,000	77,494	10,074,262
–Mexico	77,494	77,494	10,074,262
Oman FTA	202,000	202,000	10,074,262
Peru FTA	202,000	202,000	7,777,000
Singapore FTA	77,494	77,494	7,777,000
Israeli Trade Act	50,000	–	–

**25.603 [Amended]**

5. Amend section 25.603 by removing from paragraph (c) (1) "\$7,804,000" and adding "\$7,777,000" in its place.

**25.1101 [Amended]**

6. Amend section 25.1101 by–

a. Removing from paragraph (b) (1) (i) (A) "\$203,000" and adding "\$202,000" in its place;

b. Removing from paragraphs (b) (1) (iii) and (b) (2) (iii) "\$70,079" and adding "\$77,494" in its place; and

c. Removing from paragraphs (c)(1) and (d) "\$203,000" and adding "202,000" in its place.

**25.1102 [Amended]**

7. Amend section 25.1102 by—

a. Removing from the introductory text of paragraph (a) "\$7,804,000" and adding "\$7,777,000" in its place;

b. Removing from the introductory text of paragraph (c) "\$7,804,000" and adding "\$7,777,000" in its place;

c. Removing from paragraph (c)(3) "\$7,804,000" and "\$9,110,318" and adding "\$7,777,000" and "\$10,074,262" in their place, respectively; and

d. Removing from paragraph (d)(3) "\$7,804,000" and "\$9,110,318" and adding "\$7,777,000" and "\$10,074,262" in their place, respectively.

**PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

8. Amend section 52.204-8 by revising the date of the provision as set forth below, and removing from paragraph (c)(1)(xvii)(C) "\$67,826" and adding "\$77,494" in its place.

**52.204-8 Annual Representations and Certifications.**

\* \* \* \* \*

ANNUAL REPRESENTATIONS AND CERTIFICATIONS (INSERT ABBREVIATED  
MONTH AND YEAR OF PUBLICATION IN THE FEDERAL REGISTER)

\* \* \* \* \*

9. Amend section 52.212-5 by revising the date of the clause and paragraph (b) (27) to read as follows:

**52.212-5 Contract Terms and Conditions Required to Implement Statutes or Executive Orders—Commercial Items.**

\* \* \* \* \*

CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS—COMMERCIAL (INSERT ABBREVIATED MONTH AND YEAR OF PUBLICATION IN THE FEDERAL REGISTER)

\* \* \* \* \*

(b) \* \* \*

\_\_ (27) 52.222-19, Child Labor-Cooperation with Authorities and Remedies (INSERT ABBREVIATED MONTH AND YEAR OF PUBLICATION IN THE FEDERAL REGISTER) (E.O. 13126).

\* \* \* \* \*

10. Amend section 52.213-4 by revising the date of the clause and paragraph (b) (1) (i) to read as follows:

**52.213-4 Terms and Conditions—Simplified Acquisitions (Other Than Commercial Items).**

\* \* \* \* \*

TERMS AND CONDITIONS—SIMPLIFIED ACQUISITIONS (OTHER THAN COMMERCIAL ITEMS) (INSERT ABBREVIATED MONTH AND YEAR OF PUBLICATION IN THE FEDERAL REGISTER)

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(i) 52.222-19, Child Labor-Cooperation with Authorities and Remedies (INSERT ABBREVIATED MONTH AND YEAR OF PUBLICATION IN THE FEDERAL REGISTER) (E.O. 13126). (Applies to contracts for supplies exceeding the micro-purchase threshold.)



\* \* \* \* \*

11. Amend section 52.222-19 by revising the date of the clause; removing from paragraph (a)(3) "\$70,079" and adding "\$77,494" in its place; and removing from paragraph (a)(4) "\$203,000" and adding "\$202,000" in its place. The revised text reads as follows:

**52.222-19 Child Labor—Cooperation with Authorities and Remedies.**

\* \* \* \* \*

CHILD LABOR—COOPERATION WITH AUTHORITIES AND REMEDIES (INSERT  
ABBREVIATED MONTH AND YEAR OF PUBLICATION IN THE FEDERAL REGISTER)

\* \* \* \* \*

[BILLING CODE 6820-EP]

[FR Doc. 2012-4492 Filed 03/01/2012 at 8:45 am; Publication Date:  
03/02/2012]